Transformative Climate Communities (TCC) Program
Frequently Asked Questions

GENERAL TCC PROGRAM QUESTIONS

Q-1: **How was the Transformative Climate Communities (TCC) Program established?**

A: The TCC Program was established by Assembly Bill (AB) 2722, administered by the Strategic Growth Council (SGC)[1], to "…fund the development and implementation of neighborhood-level transformative climate community plans that include multiple, coordinated greenhouse gas emissions reduction projects that provide local economic, environmental, and health benefits to disadvantaged communities as described in Section 39711 of the Health and Safety Code." (Pub. Resources Code § 75240.)[2]

Q-2: **What types of grants are available under the Transformative Climate Communities (TCC) Program?**

A: The TCC Program will fund two types of grants: Implementation Grants and Planning Grants.

The SGC will award three Implementation Grants, totaling approximately $140 million, in competitive funding to support the development and implementation of neighborhood-level plans that include multiple, coordinated projects that reduce greenhouse gas emissions and achieve other community benefits in the state's most disadvantaged communities. One Implementation Grant totaling approximately $70 million shall be awarded to a proposal selected from the City of Fresno, one Implementation Grant totaling approximately $35 million shall be awarded to a proposal selected from the City of Los Angeles, and a third Implementation Grant totaling approximately $35 million will be awarded to a proposal in a third location to be determined competitively among eligible disadvantaged community areas, as identified in Appendix B of the Final TCC Program Guidelines.

The SGC will also award approximately $1.5 million in Planning Grants to fund planning activities in disadvantaged communities that may be eligible for future TCC Implementation Grants. Up to ten Planning Grants will be funded by Proposition 84.

Q-3: **How does the SGC determine which communities across the State are the Most Disadvantaged Communities?**

A: AB 2722 established that the SGC "may give priority to plans and projects that cover areas that have a high proportion of census tracts identified as disadvantaged communities and that focus on communities that are most disadvantaged." (Pub. Resources Code § 75241(b) (2)). The TCC Program is focused on investing in

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[1] California Strategic Growth Council. See "About Us" for background information on the Strategic Growth Council, including the agency's vision, mission, and objectives. <http://sgc.ca.gov/About-Us/index.html>

[2] AB 2722, Transformative Climate Communities. 2016. Web. February 2017. <https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB2722>

the communities in our state that are the most overburdened by environmental, socioeconomic and health inequities. These communities have been identified as those with a majority of Census Tracts that fall within the top 5 percent of disadvantaged communities, as defined by the California Environmental Protection Agency using CalEnviroScreen 3.0. CalEnviroScreen is a screening tool developed by the Office of Environmental Health Hazard Assessment to help identify communities with high levels of social vulnerability that are disproportionately burdened by multiple sources of pollution.

TCC Implementation Grants

Q-4: **How did the SGC decide to allocate the funding for the Implementation Grants?**

On December 6, 2016, following a public rulemaking process, the SGC adopted a regulation which determined that a minimum of half of the funds ($70 million) shall be allocated in the City of Fresno and a minimum of one-fourth of the funds ($35 million) shall be allocated in the City of Los Angeles. The remaining funds ($35 million) will be allocated in a third location to be determined competitively among eligible disadvantaged community areas, as identified in Appendix B of the Final TCC Program Guidelines.

As part of the rulemaking process, the SGC published a Notice of Proposed Rulemaking regarding the allocation of funds for the TCC Program on September 23, 2016. The proposed regulation was posted on the SGC website for public review and comment. The deadline for public comments was November 7, 2016. The SGC received 66 public comments. A summary of the comments and SGC responses is available on the SGC website. In addition to the public comment period, a public hearing on the proposed rulemaking was held in the City of Fresno on November 7, 2016 to provide the public an opportunity to offer verbal comments.

The cities of Los Angeles and Fresno were selected as they experience substantially higher pollution burdens than other parts of the state. According to the results of CalEnviroScreen 2.0—the most updated version of CalEnviroScreen at the time of the SGC rulemaking—Los Angeles had the highest number of census tracts ranked in the top 5 percent of CalEnviroScreen. While Fresno had the largest per capita population of top 5 percent disadvantaged community residents in the state, at nearly 40% of the population. For more information on the rulemaking process click here[3].

Q-5: **Who is eligible to apply for Implementation Grants?**

A: To be eligible to apply for a TCC Implementation Grant Applicants must meet each of the following four requirements:

1) **Eligible City:** To apply for a TCC Implementation Grant the proposed project must be located in the City of Fresno, the City of Los Angeles, or in one of the disadvantaged communities identified in Appendix B of the Final TCC Program Guidelines.

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[3] http://sgc.ca.gov/Grant-Programs/TCC-Rulemaking.html

2) **Eligible Entity:** Eligible Applicants may include, but are not limited to: community-based organizations, local governments, nonprofit organizations, philanthropic organizations and foundations, faith-based organizations, coalitions or associations of nonprofit organizations, community development finance institutions, community development corporations, joint powers authorities, and/or tribal governments.

3) **Collaborative Stakeholder Structure:** However, no single entity can apply on its own. To be eligible to apply all Applicants must also form a Collaborative Stakeholder Structure comprised of multiple partners to develop and submit one application based upon a shared vision. The Collaborative Stakeholder Structure shall be charged with overseeing implementation of the TCC Proposal. Each Collaborative Stakeholder Structure must identify a Lead Applicant and the partners who will serve as Co-Applicants. A local or regional public agency must be part of the Collaborative Stakeholder Structure as a Lead Applicant or Co-Applicant. The Collaborative Stakeholder Structure must include at least one of the required Co-Applicants for each of the proposed Project Types included in the TCC Proposal, as listed in Appendix D.

4) **Eligible Project Area:** The Applicant must propose a Project Area that meets the TCC Project Area requirements. See Q-6 for Project Area requirements.

Q-6: **What are the requirements for a TCC Implementation Grant Project Area?**

A: Applicants must define a contiguous Project Area that is no larger than approximately five-square miles and is within the boundary of a single incorporated city. At least fifty-one (51) percent of the geographic area of the proposed Project Area must overlap with Census Tracts within the top 5 percent of disadvantaged communities, per CalEnviroScreen 3.0. The remaining forty-nine (49) percent or less of the geographic area of the proposed Project Area must overlap either with a disadvantaged community (top 25 percent CalEnviroScreen 3.0) or a low-income community as defined by AB 1550. Applicants may propose a Project Area boundary that does not align with Census Tract boundaries. The Office of Environmental Health Hazard Assessment created an online TCC Mapping Tool[4] that shows the top 5% and top 25% of Disadvantaged Census Tracts based on data from CalEnviroScreen 3.0 and low-income Census Tracts defined by AB 1550 that can be used to develop an eligible Project Area. You can access the map by clicking here.

Q-7: **What Project Types are eligible for TCC funding?**

A: There are 13 TCC Funded Project Types (also described as California Climate Investment (CCI) Project Types in the Final TCC Program Guidelines) which are listed in Appendix D of the Final TCC Program Guidelines. The TCC Funded Project Types are based on the CCI Project Types included in the 2016-2017 California Climate Investment program and have approved GHG quantification methodologies, and benefit

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[4] Link to TCC Mapping Tool: http://bit.ly/TCC_Mapping_Tool_2017

disadvantaged or low-income communities according to the California Air Resources Board's (CARB) *Funding Guidelines for Agencies that Administer California Climate Investments*.[5]

Other Project Types that fall outside of the California Climate Investment programs, and lack a GHG quantification methodology approved by CARB, must be paid for with other funding sources.

Q-8: **What are the specific requirements for each of the TCC Funded Project Types?**

A: Each of the 13 TCC Funded Project Types has its own set of requirements which are listed in Appendix D of the Final TCC Program Guidelines. Appendix D clearly states the following requirements for each TCC Funded Project Type:

- Name of existing California Climate Investment Program Type that the TCC Funded Project Type is based on

- Entity that must be identified as lead for specific TCC Funded Project Type

- Eligible TCC-Fundable Project Types

- Eligible Costs

- Readiness Requirements such as environmental review, site control, and any additional requirements

- Project Costs

- Description of how the greenhouse gas emission reductions will be estimated

- Description of how the SGC will evaluate if the project benefits a disadvantaged community

- Reporting Requirements

Each Project Type that is included as part of the TCC Proposal must comply with each of the requirements listed in Appendix D. Projects Types that fall under the Affordable Housing and Sustainable Communities (AHSC) category must also comply with all of the requirements of the 2016-2017 AHSC Program Guidelines.[6] In early October 2017, the SGC will release a technical memo providing further guidance on the requirements listed in Appendix D of the TCC Final Program Guidelines.

Q-9: **What are the readiness requirements that must be met by TCC Funding Project Types included in the TCC Proposal?**

A: Applicants must demonstrate that a minimum of three of their proposed TCC Funded Project Types meet the full Readiness Requirements listed in Appendix D of the Final TCC Program Guidelines at the time the Full Application is submitted on November 30, 2017. Additionally, these three Project Types combined must

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[5] https://www.arb.ca.gov/cc/capandtrade/auctionproceeds/fundingguidelines.htm

[6] http://sgc.ca.gov/Grant-Programs/AHSCResources/AHSC16-17GuidelinesPost-Errata.pdf

comprise fifty percent of total requested funds. For the remaining Project Types that do not have readiness met at the time of Full Application, Applicants will be asked to discuss how far along in the process they are towards meeting the readiness requirements and when they anticipate having all of them met. The remaining Project Types must meet full readiness requirements within the first year following the date of the contract execution.

Q-10: What is the application process for the Implementation Grants?

A: Applications for Implementation Grants will be considered using a two-phase application process and must be submitted using the online Financial Assistance Application Submittal Tool (FAAST). Implementation Grant funds will be awarded through a competitive process and the grant term will be approximately three years. Implementation Grants will include a variety of project types, including those already funded by other California Climate Investment programs, as listed in Appendix C, that reduce greenhouse gas emissions. The deadline to submit a Concept Proposal is October 18, 2017.

Concept Proposals will be reviewed by an interagency panel to assess eligibility, readiness, and alignment with Program Objectives to determine whether an Applicant will be invited to submit a Full Application. Applicants will be notified by the State on October 30, 2017 whether they are invited to participate in the Full Application phase.

Those invited to submit Full Applications will further develop their Concept Proposals. Full Applications will be reviewed and evaluated by an interagency review panel. The deadline for Full Applications is November 30, 2017. As part of the review process during the Full Application Phase, members of the interagency review panel will conduct site visits with each of the Applicants. During the site visit, Applicants will be asked to conduct a tour of the Project Area and to assemble members of the proposed Collaborative Stakeholder Structure for a question and answer session. After completing the site visits, the interagency panel will re-convene to make final recommendations based on the initial Full Application review and the site visit. The SGC staff will finalize and prepare their award recommendations to present to the SGC Council Members for consideration of final approval 10-days prior to the SGC meeting held in January 2018.

For more information on the application process see the [Notice of Funding Availability](http://sgc.ca.gov/Grant-Programs/TCCResources/TCC-NOFA-082817.pdf) on the SGC website.[7]

Q-11: TCC Implementation Grant Work Plan and Budget Template, provided as an Excel workbook, only includes sheets for five separate Project Types. Are Applicants limited to submitting only five Project Types?

A: No, you are not limited to 5 project types. To add more projects you create a copy of the blank worksheet tab for as many additional project types as needed.

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[7] Link to TCC Notice of Funding Availability: http://sgc.ca.gov/Grant-Programs/TCCResources/TCC-NOFA-082817.pdf

Q-12: How do I access the Financial Assistance Application Submittal Tool (FAAST) system?

A: Applicants can access the FAAST online application submittal tool system by going to the State Water Resources Control Board's website: http://faast.waterboards.ca.gov. Applicants will be prompted to develop a login name and password to use the FAAST system. Review the Concept Proposal FAAST System instructions to submit all required attachments and documentation. Refer to "FAAST System Tips" at the end of the Notice of Funding Availability for helpful tips. An online tutorial of how to access the TCC Concept Proposal Application is available at the following link: http://bit.ly/TCC_FAAST_Training_2017.

Q-13: Does the FAAST System have a size limit on attachments that can be uploaded?

A: Yes, attachments must be no larger than 100 MB.

Q-14: Can the TCC Grant fund a project or project elements outside of the TCC project area?

A: Each TCC Proposal must be comprised of projects that can achieve the TCC Program Objectives within the chosen Project Area. Therefore, TCC funded projects must be located within the selected Project Area. Projects with components located outside of the TCC Project Area will need to identify leveraged funding, demonstrate how the project fits into the context of the overall plan, and how the Project would provide greenhouse gas (GHG), environmental, public health, economic benefits. Applicants may include such projects as part of their Concept Proposal, for the SGC and the Interagency Review Panel to evaluate the Project and determine whether the Project would receive TCC funding.

Q-15: When will the SGC make templates for the Community Engagement Plan and Displacement Avoidance Plans available?

A: The SGC will release draft templates for the Community Engagement Plan and Displacement Avoidance Plan during the first week of October 2017. Applicants invited to the Full Application Phase will be required to use these templates as part of their application.

Q-16: Will the SGC make the templates for the Full Application budget workbook and work plan available prior to the release of the application?

A: Yes, the SGC will make the draft templates for the Full Application budget workbook and work plan available so that applicants may review them in advance. Applicants invited to the Full Application Phase will be required to use these templates as part of their application. Note that the templates may be updated and revised final versions may be posted prior to invitations to the Full Application phase are announced.

Q-17: How will the Collaborative Stakeholder Structure be governed?

A: As part of the application process, the Lead and Co-Applicants will submit a Memorandum of Understanding (MOU) that describes how their Collaborative Stakeholder Structure will be organized and governed. Applicants may design their Collaborative Stakeholder Structure to best align with their needs, but at a minimum the Memorandum of Understanding must clearly outline the following:

   a. Identification of a Lead Applicant;

   b. Roles and responsibilities for the Lead Applicant and each Co-Applicant;

   c. Governance of the Collaborative Stakeholder Structure;

   d. Legal and financial considerations (i.e., assumption of liability, financial relationship between Grantee/Partners, etc.);

   e. Transparent decision-making processes;

   f. Meeting facilitation procedures; and

   g. Process for involving community representatives in decision-making.

A draft MOU must be submitted with the Concept Proposal application due on October 18, 2017. The final MOU, signed by all the members of the Collaborative Stakeholder Structure, will be required as part of the Final Application.

If a proposal is selected, the Memorandum of Understanding may be revised to comply with all administrative, statutory, and TCC Program requirements during the Pre-contract Consultation. See Section II.I, Implementation Contract Administration, for additional information.

Q-18: Will SGC provide a template MOU?

A: No, we will not be providing a template for the MOU. However, at a minimum the MOU must clearly outline the following, as stated in Section II (A) (2) (a-g) of the Final TCC Program Guidelines and also outlined in the response to Question 17 of this document.

Q-19: Can community education and outreach be funded by the TCC Implementation Grants?

A: As stated in the Final TCC Program Guidelines, costs related to community engagement and outreach may be allowed on a case-by-case basis, to be determined during the Pre-contract Consultation phase. In early October, the SGC will release a technical memo providing further guidance on the criteria the SGC will use to make this determination. This FAQ will be updated to include the criteria once it is finalized.

Q-20: Can the TCC Implementation Grant dollars be used to fund the implementation of the Displacement Avoidance Plan?

A: Leverage funding must be used to fund the implementation of the Displacement Avoidance Plan.

Q-21: Can the TCC Implementation Grant dollars be used to fund workforce development and training opportunities?

A: As stated in the Final TCC Program Guidelines, costs related to workforce development may be allowed on a case-by-case basis, to be determined during the Pre-contract Consultation phase. In early October, the SGC will release a technical memo providing further guidance on the criteria it will use to determine whether workforce development and training programs will be eligible for TCC Funds. This FAQ will be updated to include the criteria once it is finalized.

Q-22: What counts as leveraged funding?

A: The SGC encourages Applicants to coordinate federal, state, local, public, private and philanthropic funds that align with and advance the goals of the TCC Proposal.

Eligible sources of leverage may include, but are not limited to: federal funding sources; state funding sources; private capital; foundation grants; low-income housing tax credit equity contributions and tax-exempt bonds in connection with four percent low-income housing tax credits; and funds from regional or local tax measures, bonds, property assessments and fee revenue committed to public infrastructure related to Project Types included in the TCC Proposal, and located within the designated Project Area; funds for transportation projects that are programmed for allocation and expenditure in the applicable capital improvement plan consistent with the terms and timeframes of the contract agreement.

Q-23: When must the funds committed to the leverage funding requirement be met?

A: Applicants submitting Concept Proposals must list the amount and source of potential leverage funding, along with a description of the intended use of the funds and their status. Applicants invited to submit a Full Application must have the leverage funding committed by the time Applicants submit the Full Applications on November 30, 2017.

Q-24: What type of documentation is required for Leverage Funding?

A: Applicants can submit a letter or an adopted resolution from the entity providing the leveraged funds that includes: the amount of funding, a description of the intended use of the funds, a start and end date for funding, and whether the funds are contingent on the TCC grant award.

No letter is required for Applicants using low-income housing tax credit equity contributions and tax-exempt bonds in connection with four percent low-income housing tax credits.

If the Applicant is including the value of donated land as part of the leverage, the Applicant must also submit a recent appraisal conducted by an independent third-party MAI-qualified appraiser within one year of the application deadline.

Q-25: For applicants from cities with planned High Speed Rail stations along the initial "Silicon Valley to Central Valley Line", which Specific Plans are eligible as potential project areas? Additionally, what Project Types must be included as part of the application, and how close do these Project Types need to be to the High Speed Rail station area?

A: TCC proposals along the initial "Silicon Valley to Central Valley Line" must be focused within Specific Plans adopted since enactment of the city's last General Plan update, or Specific Plans that will be adopted by the time of Full Application. For the City of Fresno, currently adopted Specific Plans that meet these requirements include the Fulton Corridor Specific Plan and the Southwest Specific Plan.

Applicants must include, but are not limited to, complete streets, active transportation as well as parks and open space amenities that surround the High Speed Rail station area. At a minimum, each of these Project Types must be included as part of the application, and be located within walking distance of the High Speed Rail station area. Connectivity to the High Speed Rail station area should include multiple modes of access, including walking, bicycling and transit.

TCC Planning Grants

Q-26: How will the SGC award the TCC Planning Grants?

A: Funds for the Planning Grants will be awarded through a statewide competitive process, also utilizing the online FAAST application system but with a single-phase application process. Grant terms are approximately one year. The deadline to submit applications for the Planning Grants is November 30, 2017.

Q-27: Who is eligible to apply for a planning grant?

A: Eligible applicants who may compete in the Planning Grants program include cities, counties, metropolitan planning organizations, joint powers authorities, regional transportation planning agencies, councils of government, or combinations thereof. Tribal governments may partner with an eligible applicant, but may not be the lead applicant. The SGC strongly encourages submittal of proposals comprised of meaningful, actionable, internal and external collaboration that demonstrates a commitment to the proposal from multiple organizations.

Q-28: Should there be at least two (2) joint Partners on the project?

A: Yes, there must be at least two (2) joint Partners on the project. Priority in scoring will be given to Applicants that are able to demonstrate strong and diverse partnerships. Planning grant partners must be officially recognized organizations that are either governmental entities, or non-profit organizations with 501 c 3 status.

Q-29: What types of plans can be funded? Can Climate Action Plans be funded?

A: Yes, activities related to the development of Climate Action Plans can be funded. Applicants must fund planning activities that are consistent with regional plans, such as a Sustainable Communities Strategy, as well as local planning documents, such as General Plans, Specific Plans, Community Plans, zoning code

updates, a Regional Transportation Plan, or Climate Action Plan. Proposed planning activities must be complemented within the grant period, which will be approximately one year.

Q-30: Can planning efforts to establish a Business Improvement District (BID) be funded?

A: Planning activities related to the establishment of a BID may not be funded through TCC Planning Grants.

Q-31: What are the requirements for the Project Area for a Planning Grant?

A: Applicants must define a Planning Area comprised of Census Tracts within the top twenty-five (25) percent disadvantaged communities, per CalEnviroScreen 3.0. Planning Areas may be located in either an incorporated city or an unincorporated area of a county. Applicants will be required to submit a map of the proposed Planning Area. There is no size limit for the Planning Area, however, applicants are required to demonstrate that proposed planning activities are consistent with a local planning document, as discussed above.

Q-32: What are examples of eligible planning activities?

A: Evaluating, updating and streamlining various policies and codes; completing fiscal analyses and studies; and designing or enhancing community engagement that results in innovative and meaningful programs and practices built upon the input and expertise of local public agency staff, community-based organizations, workforce development boards, and overburdened individuals and groups.

Q-33: What requirements must applicants meet in relation to the SGC's sustainable communities objectives and the State's planning priorities?

A: Applicants must indicate which of the sustainable communities objectives will be advanced through the planning activities. They must also demonstrate consistency with the State's Planning Priorities, including promoting infill development, protecting, preserving and enhancing environmental and agricultural lands, and encouraging location and resource-efficient new development.

Q-34: What should be included in the Letter of Intent submitted by the applicants?

A: Applicants should detail in their Letter of Intent which tasks the Lead or Co-applicants will be responsible for undertaking. They should also include the name and contact information of the individual within each organization who will be responsible for completing the Planning-related work.